

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 197 - HB 809

February 26, 2023

SUMMARY OF BILL: Repeals the maximum class sizes, maximum class size averages, student teacher ratios, and split-grade classes established in Tenn. Code Ann. § 49-1-104. Authorizes each local education agency (LEA) and public charter school to establish the maximum class size for each grade level, class, or subject area of instruction provided by a school under its control and jurisdiction. Requires the State Board of Education (SBE) to develop guidance for LEAs and public charter schools in establishing maximum class sizes. Applies to the 2023-24 school year and subsequent years.

FISCAL IMPACT:

Other Fiscal Impact – Changes in classroom sizes may result in a permissive change in local expenditures for LEAs and may result in a change in state expenditures for state administered schools. However, due to multiple unknown variables, a precise fiscal impact cannot reasonably be determined.

Assumptions:

- Tennessee Code Annotated § 49-1-104 establishes the maximum class size averages and maximum class size as follows:
 - 20 and 25 for grades kindergarten through three;
 - 25 and 30 for grades four through six;
 - 30 and 35 for grades seven through twelve; and
 - 20 and 25 for career and technical education (CTE).
- The proposed legislation will authorize LEAs and public charter schools to set their own class sizes but does not require any restructuring of class sizes.
- The proposed legislation further requires each LEA and public charter school to establish maximum class sizes that allow a school under the LEA's or charter school's control and jurisdiction to comply with the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. §§ 1400 et seq.).
- SBE rule 052-12-01-.06 (4) (a) states that school-administered preschool programs, including both state and federally funded pre-K, must adhere to a maximum group size of 20 children with a ratio of 1 teacher for every 10 children.
- CTE classrooms currently operate with no more than 25 students, and LEAs have purchased equipment to meet that demand. It is assumed that CTE classroom sizes will continue to be structured such that equipment expenditures will not increase.

- The Tennessee Investment in Student Achievement (TISA) funding formula does not use class size as a funding variable. LEAs would continue to be funded based on their average daily membership and the various characteristics of their students through TISA.
- If LEAs choose to adopt larger class sizes, which would increase teacher to student ratios, fewer teachers may be required. While this would result in cost savings, it is assumed that those funds would be shifted to other purposes such that any fiscal impact would be not significant.
- If LEAs adopt smaller classroom size, which would decrease teacher to student ratios, additional teachers may be required. LEAs would be required to increase local expenditures to support the added classrooms and would not affect state funding provided through TISA.
- It is assumed that State Special School's and schools in the Achievement School District will continue to structure classroom sizes such that additional expenditures will not be required.
- The restructuring of classroom sizes may change the amount of personnel and resources needed for an LEA, public charter school, SSS, or school in the ASD to operate. However, due to multiple unknown variables, the extent and timing of any fiscal impact cannot be precisely determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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